

July 15, 1999

Mayor Jim Naugle
Vice Mayor Carlton B. Moore
Commissioner Gloria F. Katz
Commissioner Jack Latona
Commissioner Tim Smith

Honorable Mayor and Commissioners:

In accordance with Article IX, Section 9.2 of the City Charter, I hereby submit the proposed budget for FY 1999/2000. The total all funds budget is \$334 million or 8.7 % more than the FY 1998/1999 adopted budget. The General Fund proposed budget is \$173 million or 5.5% more than the FY 1998/1999 adopted budget. The proposed operating millage rate is 4.9574 compared to the current rate of 5.0062. The total proposed millage rate including debt service is 5.5664. The proposed budget calls for no tax increase for the average homeowner while addressing some of the Commission's priorities by adding resources and using existing resources for other priorities.

Looking Ahead

This budget will take us into the new millennium. As such, more than in any recent budget, the City and the Community must prepare to adapt to the many changes that will be a part of our future.

Previous decisions made by the Commission and the voters over the last few years have affected the development of this proposed budget. The most obvious examples are projects and programs that result in an impact on the operating budget upon their completion. The approval and subsequent issuance of general obligation bonds to upgrade our parks and recreation infrastructure has provided for new facilities that must now be operated and maintained and in some cases, require new staff. Likewise, the decision to add staff in one year means a commitment to higher pension contributions the next year. The decision to implement a Deferred Retirement Option Plan (DROP) for police officers and firefighters has translated into a one-time blip in termination pay as the first group of participants leave City employment next year. While hiring police officers with federal grant money eases the initial budgetary impact, continuing that service level beyond the grant period requires the use of 100% City resources. City Commission approval or disapproval of development projects affects the City's tax base in subsequent years. The decision to embark on a five-year Community Area Planning

Program has implications for resource commitments over the multi-year planning period. Adoption of the budget and property tax millage rate in one year establishes the basis for property tax and budgetary decisions in the ensuing years.

The world is more future-oriented than ever, and Fort Lauderdale is appropriately focused as we have opted to face the future in realistic, but forward-thinking ways utilizing the American Assembly process, beach visioning, various charettes, economic summits, and the advent of Community Area Planning. As we enter the year 2000, we must be prepared to handle all that encompasses the evolution of our City and adopt “state of the art” ways of doing business. Fort Lauderdale has changed significantly over the past several decades. We are no longer the sleepy coastal community with a once-a-year deluge of college students for spring break. We are a diverse community with year-round tourism, an active downtown and uptown, a City revitalizing through redevelopment initiatives and a broad array of commerce. This diversity will continue to expand in the coming years. Likewise, the City, as an active participant in the global economy, must be prepared to conduct its business by using the latest technology as its competitors and partners do. The internet, electronic commerce, automated banking, and multiple avenues of communication will become the common denominators of our ways of doing what we do.

New City Manager: New Approach

This proposed budget is my first submission to you. While I was appointed before the adoption of the FY 1998/1999 budget, those recommendations stemmed from my predecessor. This proposed budget reflects my philosophy and direction after ten months as your City Manager. The Assistant City Managers, Department Directors and I have developed this recommended budget after careful examination of four basic questions:

- What should the City be doing in FY 1999/2000?
- How should we do it?
- What should we do it with?
- How can we preserve what is accomplished?

To determine “*what the City should be doing*” next year, we asked for Commission concurrence that what we were hearing in Commission meetings, Conference sessions and workshops represented a consensus about budget priorities. With Commission agreement, we disseminated your priorities to all departments and asked them to present their budget requests in relation to how they addressed your areas of importance. As I present the elements of this proposed budget, I will outline how we have considered each Commission priority in developing this proposed and balanced budget.

To address “*how we should do it*” in accordance with City Commission priorities, my administrative realignment was conceived and implemented. As I presented to you a few

months ago, I have modified the City's organizational structure and reporting relationships to focus on City operations.

- All of the City's public safety functions now report to me directly. Public Safety has traditionally been rated as your highest priority, so I have reserved direct supervisory attention to these matters.
- All fieldwork outside of public safety is now accountable to one Assistant City Manager. He has responsibility for the most visible of City services – water and wastewater, garbage collection, streets and traffic, development services, as well as open space and recreation.
- In the development area, I engaged the services of an outside expert to evaluate how the City was handling the demands of a booming construction industry. The result was a division of functions previously situated in the Fire-Rescue and Building Department. The separation of the One-Stop Shop from Code Enforcement and the splitting of short-term and long-range planning are intended to improve efficiency and effectiveness in these areas. I envision a more responsive, timely and accurate delivery of services.
- A final aspect of the realignment is the creation of a strategic planning function. We believe a longer-range look at the organization will allow us to build on our strengths, take advantage of opportunities, and establish a vision for the future of the City's internal organization. Assessing necessary resources (financial, physical, technological and human) are essential to address the future-orientation of a well-planned and well-maintained City of Fort Lauderdale.

“What we do it with” are the resources authorized by State Statute and approved by the City Commission. This proposed budget holds the line on the impact of property tax on the average homeowner. We are able to do this because of the increase in tax revenue from sources other than homesteaded property and the limits on homesteaded property assessments in accordance with the “Save Our Home” State Constitutional Amendment. On the expenditure side of the ledger, the proposed budget has been balanced by limiting expenditure increases to union contractual obligations, corresponding management and confidential compensation adjustments, and addressing Commission priorities. The budget reflects the new \$36 per year per residence Fire-Rescue assessment fee that the Commission already approved. The \$30.38 fee (which would have risen to \$37 for two fewer rescue units) currently charged by Broward County in FY 1998/1999 will be replaced by the City fee in November. Budget adoption will also mean Commission authorization of positions. In an effort to provide a fuller explanation of our human resources, the proposed budget material includes not only the suggested appropriation for salaries and benefits, but also the number of all proposed positions including temporary, part-time, and grant funded jobs. Prior practice had been to summarize full-time, permanent positions only and provide information on appropriations for temporary and part-time salaries. The new approach translates these non-permanent positions into “full-time equivalent” positions (a 20-hour per week employee = 0.5 FTE). Because of this change, the position schedule included with this budget message restates the current year positions so that the proposed staffing level can be compared on the same basis. We

believe this presentation offers the Commission and taxpayers a better explanation of the City's human resources.

We plan to "*preserve our accomplishments*" in terms of effective budgeting by working toward compliance with the best practices of state and local governmental budgeting. For the last few years, several public interest organizations related to municipal government have been compiling what these best practices are. The City is actively involved in many of these organizations such as the U.S. Conference of Mayors, the National League of Cities, the International City-County Management Association, and the Government Finance Officers Association. While none of the best practices are mandatory, we agree with these organizations that the practices are the appropriate guidelines for prudent budgeting. The four key elements of the recommended procedures are:

1) Long-term Perspective

The budget does not fit neatly into an isolated 12-month period. Therefore, I propose that future City budgets provide at least a two-year outlook and identification of long-term impacts of one-year budget decisions.

2) Linkage of Resources to Goals

While we have shown departmental goals and objectives in support of the City's vision and Commission priorities, we will work to strengthen the relationship between proposed budget allocations and the attainment of goals.

3) Communication with Stakeholders

Stakeholders are defined as all affected parties in the budget process including taxpayers, the Commission, City staff, and outside agencies. I asked the Budget Advisory Board to develop some performance measures for City services which would relate to citizen expectations. They have provided some for Public Services that will be included in the final budget document and tracked by staff during the year. Additionally, I hope to continue dialogue with the City Commission to revise and verify budget priorities for FY 2000/2001 through workshops and Conference Agenda items. I propose to make "Budget in Brief" information available to the public before the public hearings in September. We will continue to make full use of the City's web site (<http://www.ci.ftlaud.fl.us>) to make budget material available and accessible.

4) Improved Management and Follow-up

The rationale for this best practice is that the budget is only as good as the accomplishments it facilitates. My realignment of the City organization is intended to make more effective use of budgeted resources. I am challenging

the staff to improve its use of performance measures in order to be more responsive and accountable. Quarterly reviews and updates will be initiated to provide for the same.

Highlights of the Budget

This budget was developed by considering each Commission priority weighed against the availability of funding. The proposed budget used the benchmark of no tax increase for the average homeowner to determine the size of the budget pie. From there, we determined:

1. What are we *required to do* next year
2. What is the *responsible thing to do* next year
3. What is the *right thing to do* next year

These criteria lead me to recommend the funding of the following key priorities:

- We are *required* to hold City elections next spring and this budget includes \$86,000 for the primary and general elections.
- We are *required* to pay over \$2 million for earned vacation and sick leave for police officers and firefighters who have participated in the Deferred Retirement Option Plan (DROP). A total of 65 employees will be leaving City employment during the 1999/2000 Fiscal Year. In the long run, the City will not face this sizable number of retirements in one year again. While the City loses years of experience with these departures, the program gives us the unique opportunity to promote worthy replacements and bring new people and ideas into our organization. We have developed a transition plan to minimize the impact upon the delivery of public safety services.
- The City is *required* to implement negotiated salary increases provided in the union contracts. FY 1999/2000 will be the third and final year of all three bargaining unit agreements. Those contracts call for a 3.8% increase for employees represented by the Fraternal Order of Police, 4.5% for the International Association of Fire Fighters, and 3.5% for the American Federation of State, County, and Municipal Employees. I propose a 3.5% increase for management and confidential employees. The cost of these salary increases for all groups totals \$3.2 million.
- The Commission has already made the *responsible* decision to take over complete control of emergency medical services. This proposed budget provides for this transition from the Broward County Municipal Benefit Unit (MSBU) by funding a full-year's cost of 54 additional firefighter/paramedics, fire-rescue dispatchers, the operation and maintenance of 16 rescue vehicles to ensure 10 are in service at all times, medical supplies, and a billing clerk to assist with patient transport revenue. These expenditures amount to approximately \$4 million.
- The City has traditionally utilized salary savings to cover overtime in police and fire-rescue, which has been underfunded. It seems more *responsible* to budget the way

we have been spending. We have proposed additional appropriation for overtime (\$1,250,000) for public safety by shifting resources from projected salary savings in other City departments.

- The City is blessed with a healthy economy. It is the *responsible* thing to do to provide sufficient resources to facilitate development. I have moved development services to Public Services. I believe this change gives this service the focus it deserves. This proposed budget includes funding for an administrative support position for zoning, \$50,000 for technological improvements, and full funding of all positions dedicated to plans review and processing, including the transfer of key planner positions for current development issues.
- The Commission has approved the implementation of the Community Area Planning (CAP) process. We have determined that it is *responsible* to include in this budget the funding of a planning staff that can undertake the process for the first area chosen. Such staffing includes the Planning Director, a CAP Coordinator, five planners and seven planning assistants. This staff will also manage federal Brownfield grants.
- The voters approved \$35 million in park bonds in 1996. Most of those projects are underway and those to be completed by next fiscal year are *responsibly* funded for maintenance in this budget. Activities at Holiday Park and Mills Pond expanded athletic fields will be properly maintained with additional staff (12 new positions) to provide a productive outlet for youthful energy.
- Fort Lauderdale is a diverse community with natives and new residents representing the full spectrum of human life. It is only *right* that we develop a City organization that reflects the community we serve. As directed by the Commission, I am requesting additional resources for the Diversity Management Program including an Equal Opportunity Specialist, managerial training, and appropriate office space.

While these are the programs that will receive the most significant allocation of additional dollars, other Commission priorities are being addressed in this budget.

- Funds are being accumulated for sanitary sewer special assessment projects.
- Additional resources are included for code enforcement to address trash cleanup, residential maintenance standards, and other code priorities.
- A new citizen response software system will be purchased to more efficiently and effectively track citizen concerns.
- This budget assumes a continuing relationship with Broward County and the Sheriff's Office for police communications.
- The proposed budget provides for continuing the use of the Youth Coordinating Council and the various youth programs established in the last few years which have been tremendously successful.
- While the community policing demonstration project will rely on continued grant support, we envision increasing acceptance of community policing as a standard operating procedure.
- The increasing tax increment for the Community Redevelopment Agency for the Beach and Northwest Progresso Flagler Heights will provide new resources for long-awaited improvement in those areas.

- The cost of publication of a school-marketing brochure is also included in this budget to communicate the advantages and innovative programs of schools within our City limits.

Some Commission priorities like underground power lines, stormwater improvements, airport fire suppression and crash-rescue, the Welcome Center, and traffic calming are capital improvements which will be addressed in the upcoming Capital Improvement Plan. The issue of beach safety is still under consideration as we explore ways to extend lifeguards north of Sunrise Boulevard and find resources, which reflect the contribution of resources beyond our City limits. Some Commission priorities such as enhanced use of schools, crime victim follow-up, and ensuring a smooth transition of services to the homeless in our community, can be addressed with existing resources.

Future Issues

This being my first proposed budget for Fort Lauderdale, I have been unable to make all the desired improvements and changes this year. There are several future issues which will affect budgets for 2001 and beyond. The fourth annual citizen satisfaction survey in the fall will identify the public's perceptions of our successes and challenges. A strategic business plan will provide a wide angle and telescopic view of where our organization is headed. The completion of the initial community area plan for a portion of our community will provide a blueprint not only for that area but a hint of the impact of future studies. Finally, we will see how our cooperative relationships with other jurisdictions evolve over the next twelve months including Congressional and State legislative delegations, Broward County, Constitutional Officers, adjoining cities, and private entities in services as diverse as police communications and festivals/special events.

Conclusion

This budget has been prepared by challenging City staff to re-evaluate what they do and how they do it. I appreciate their support and guidance in this process. Your direction with budget priorities early on served as a beacon as we moved through the fog of balancing requests with available resources. I believe the result is a budget that responds to our community's most critical needs today in a fiscally prudent way.

We propose the following dates for public hearings: September 9 and 23. They are both Thursdays and will require the Commission to set special meetings after 5:00 PM. These dates comply with statutory requirements to avoid conflicts with the County Commission and the School Board hearings.

I look forward to receiving your suggestions for this budget and working with you in FY 1999/2000 to attain those goals identified to improve the quality of life and services for all of our citizens.

Sincerely,

Floyd T. Johnson
City Manager